GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:1029
ANSWERED ON:28.07.2000
NORM FOR TAXING FOREIGN CHANNEL
DR. KIRIT SOMAIYA;PUSHPDAN SHAMBHUDAN GADHAVI

Will the Minister of FINANCE be pleased to state:

(a) whether the Government are considering to amend the norms of taxing foreign satellite cable TV companies;

(b) if so, whether at present these companies such as Star TV, Zee TV are required to pay the tax onpre-determined net income basis;

(c) if so, the present norms and percentage of taxes required to be paid;

(d) the total tax collected by the Government during the last four years from various foreign channel companies;

(e) whether many companies are not paying any tax in India with some or other excuses;

(f) if so, whether the Government propose to reexamine the case foreign TV channel companies and bring all of them inthe taxation structure; and

(g) if so, the details thereof?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI V. DHANANJAYA KUMAR)

(a) Government is reviewing the norms of taxing foreign telecasting companies but amendment of the norms of taxation of cable TV companies is not under consideration of the Government at present.

(b) & (c) Taxable income is determined at 10% of their gross receipts excluding the amount retained by the advertising agent and the Indian agent of the foreign telecasting company.

(d) An amount of Rs.71.21 Crores has been paid bythe such foreign telecasting companies towards income tax during the past four Assessment Years.

(e) One case of a foreign TV channel disputing the tax demanded in India has been reported.

(f) & (g) Does not arise.